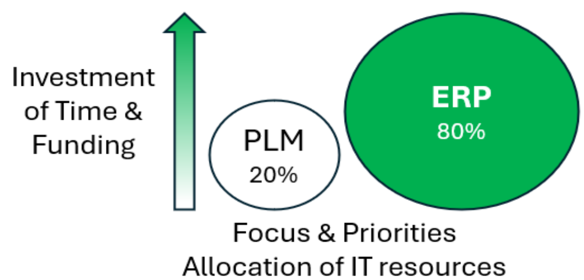
Tail Wagging the Dog

The term “tail wagging the dog” is one that is often used when something that is “downstream” takes a prime position over something “upstream”. Though it was the basis of the name of a 1997 movie “Wag the Dog”, the purpose of this writing is to instead identify the situation that is all too prevalent as manufacturing businesses (such as Consumer Products) reach a point where they have sufficient product offerings in market and shift their focus and priorities to the Manufacturing / Financial Management processes, leaving a drought of focus and priorities in their Engineering process.

The author is “all in” when it comes to the need to ensure that a company should continuously develop the highest degree of operational efficiency in the sourcing, manufacturing, and financial processes to

ensure product is in market and sold. This is vital to keep costs down, increase profits, and ensure the continuous delivery of products to market as a means of business growth. However, it should never be the focus of a company to diminish its attention to the operational efficiency of its new product development, lest it find itself behind the curve of its competitors; unless a company has no competitors; which is usually not the case if a market exists for its products.

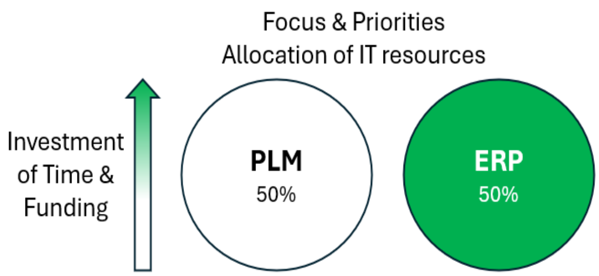
A case in point of the tail wagging the dog is a situation that is disturbingly common where a company invests vast amounts of financial and internal resources to implement (or upgrade or replace) an Enterprise Resource Planning (ERP) system that consumes years to execute while putting all other required investments in upstream R&D on hold or drastically diminished. It is not to suggest that a company’s ERP system is not of importance to ensure the highest degree of operational efficiency in delivering its products to market. However, there is proportionality and shared investment that all businesses should maintain, or they run the risk of losing the competitive advantage of their product offering.



Evolving the case in point, it could be years before any similar investment would be entertained as having equal value for the upstream Engineering activities, such as the implementation (or upgrade or replacement) of the company’s Product Lifecycle Management (PLM) system; or developing a more efficient means of integrating what the company has defined as its product offering (residing in its PLM system) and the means by which it executes its delivery to market (or its ERP system).

Proportionality is aligned correctly when a company not only invests in its execution of delivering products to market, but also maintains sufficient investment in designing and developing what it delivers to market.

A company's Engineering organization, and the systems that support its new product design should not be put on hold because a new ERP system is being brought on-line, almost as if it is the lifeline of a company's existence.



It may be that those service organizations that support the implementation of ERP systems want to demand that type of focus, but that opens the door for new product design / development to wane and enable competitors to take positions in a company's market. No need for that. You can't ransom your company's growth and success just because you are engaging in deploying a new or upgrading an existing ERP system.

It is also often the case that businesses allocate the bulk of their Information Technology (IT) organizations to support the implementation of such ERP systems and consider that it should be the role of Engineering to support "its own systems", such as CAD and PLM. Again, this form of funnel focus where the tail wags the dog, is something that the C-suite should guard against.

PLM and ERP are siblings in a parent company, and both should be treated with equal respect and commitment. So long as a 3–5-year roadmap of products-to-market exists, so should there be a 3–5-year technology roadmap in support of these two primary (and tangential) systems. Don't let the tail of production wag the dog of the business.

.

A company should remain vigilant to keep new products entering the market, just as it should be vigilant to ensure that production (whether of its own facilities or through the facilities of suppliers) remains efficient to ensure revenue from market channels.

Investing in PLM alongside ERP as collaborative systems of the company's Solution*Scape* will keep new and better products entering the production flow, while ensuring production to profit activities serve the company's best interests.